

**41-42 LOWNDES SQUARE MANAGEMENT
COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
24 DECEMBER 2018**



41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

CONTENTS

	Page(s)
Company Information	1
Directors' Report	2 - 3
Statement of Directors' Responsibilities in respect of the financial statements	4
Independent Auditors' Report	5 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	Neil Gardiner Richard Levis
Company secretary	Aviva Company Secretarial Services Limited
Registered number	04045531
Registered office	St Helen's 1 Undershaft London EC3P 3DQ United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom
Legal form	Private limited company
Country of incorporation	United Kingdom

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 24 DECEMBER 2018

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 24 December 2018.

Principal activities

The principal activity of 41-42 Lowndes Square Management Company Limited ("the Company") is to act as an intermediary vehicle for the administration of ground rent in respect of the leasehold interest in the property at 41-42 Lowndes Square, London SW1. Under the Company's lease with the freeholder, the Company is required to manage the service charge of the common parts of the underlying property for its own lessees, the residential tenants.

Following the acquisition of the Friends Life Group by Aviva plc the Company is now a subsidiary of Aviva Group of companies headed by Aviva plc.

Results and business review

The Company made a total comprehensive expense for the financial year of £649 (2017: £nil).

The results for the year and financial position of the Company are as shown in the financial statements.

Financial risk management

Due to the nature and principal activity of the Company, which exists to collate receipts of ground rent payable by tenants and pass these amounts to the freeholder, the Directors would normally expect any profit or loss earned by the Company in any given year will be marginal. Revenue earned from the leaseholder enfranchisement in the current and prior year does not represent any additional risk to the Company due to the amounts recognised in relation to each individual transaction being prescribed by a specific contractual agreement between the lessee and the freeholder. In particular, we note that the Company is not exposed to the credit risk arising from outstanding lease payments due from leaseholders on the basis that a fellow subsidiary of the Group provides a guarantee to cover any default amounts should they arise. As a result, the Directors consider that there are no principal risks affecting the Company.

Going concern

The financial statements have been prepared on a going concern basis. As a result, the ultimate parent company intends to continue to support the operation of the Company to enable it to meet its liabilities.

Despite the Company being in a net liability position, these financial statements are prepared on a going concern basis because the ultimate parent company has undertaken to provide continuing financial support so that the Company is able to pay its debts as and when they fall due. Furthermore, the ultimate parent company commit to not seek repayment of any amounts due from the Company unless it is satisfied that the Company has sufficient liquid resources to make such payments for the foreseeable future.

Future developments

No change to the activities of the Company is anticipated in the foreseeable future.

Dividends

The Directors do not recommend the payment of a dividend for the financial year ended 24 December 2018 (2017: £nil).

Political and charitable contributions

During the year the Company made no political or charitable donations.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 24 DECEMBER 2018

Directors

The Directors who served during the year were:

Neil Gardiner
Richard Levis
Robert Awford (resigned 28 August 2018)

Statement of disclosure of information to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

It is the intention of the Directors to reappoint the independent auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of Section 487 of the Companies Act 2006.

Qualifying indemnity provisions

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in Section 234 of the Companies Act 2006.

Events after the reporting date

There have been no significant events affecting the Company since the year end.

On behalf of the Board:



Richard Levis
Director

Date: 23/09/19

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing their report, the Directors have taken advantage of the exemption for small companies in accordance with section 415(A) of the Companies Act 2006.

On behalf of the Board:


Richard Levis
Director

Date: 23/09/19

Independent auditors' report to the members of 41-42 Lowndes Square Management Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, 41-42 Lowndes Square Management Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 24 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 24 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 24 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 September 2019

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 24 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	3	11,400	11,400
Administrative expenses	4	(12,049)	(11,400)
Operating loss		<u>(649)</u>	<u>-</u>
Tax on loss	5	123	-
Loss and total comprehensive expense for the financial year		<u><u>(526)</u></u>	<u><u>-</u></u>

All activities are derived from continuing operations.

The primary statements and notes on pages 7 to 17 form part of these financial statements.

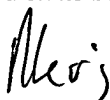
**41-42 LOWNDES SQUARE
MANAGEMENT COMPANY LIMITED**

REGISTERED NUMBER:04045531

**STATEMENT OF FINANCIAL POSITION
AS AT 24 DECEMBER 2018**

	Note	£	2018 £	£	2017 £
Current assets					
Debtors	6	2,643		2,643	
Cash at bank and in hand	7	281		552	
		<u>2,924</u>		<u>3,195</u>	
Creditors: amounts falling due within one year	8	(6,398)		(6,143)	
Net current liabilities			(3,474)		(2,948)
Net liabilities			<u>(3,474)</u>		<u>(2,948)</u>
Capital and reserves					
Called up share capital	9		9		9
Accumulated losses			(3,483)		(2,957)
Total equity			<u>(3,474)</u>		<u>(2,948)</u>

These financial statements on pages 7 to 17 were approved and authorised for issue by the Board and were signed on its behalf by:


Richard Levis
Director

Date: 23/09/19

The primary statements and notes on pages 7 to 17 form part of these financial statements.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 24 DECEMBER 2018

	Called up share capital	Accumulated losses	Total Equity
	£	£	£
Balance as at 25 December 2016	9	(2,957)	(2,948)
Result for the financial year and total comprehensive income for the financial year	-	-	-
Balance as at 24 December 2017 and 25 December 2017	9	(2,957)	(2,948)
Loss and total comprehensive expense for the financial year	-	(526)	(526)
Balance as at 24 December 2018	9	(3,483)	(3,474)

The primary statements and notes on pages 7 to 17 form part of these financial statements.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

1. General information

41-42 Lowndes Square Management Company Limited ("the Company") acts as an intermediary vehicle for the administration of ground rent in respect of the leasehold interest in the property at 41-42 Lowndes Square, London SW1.

The Company is registered as a private company limited by its shares and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year except where noted below.

2.1 Statement of Compliance with FRS 102

The Company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2.2 Basis of preparation

The financial statements have been prepared under the historical costs convention and on a going concern basis. The accounting policies have been consistently applied throughout the year and are consistent with those applied in previous years.

These financial statements have been presented in British Pounds as this is the Company's functional currency, being the primary economic environment in which it operates.

2.3 Critical accounting judgements and estimation uncertainty

Any estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.4 Going concern

Despite the Company being in a net liability position, Aviva Life & Pensions UK Limited, an intermediary holding company has stated that it will provide continuing financial assistance to the Company for the foreseeable future. Due to the assistance provided by the holding company of the Company should have sufficient resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted as the basis for preparing the annual reports and financial statements.

2.5 Strategic report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

2.6 Cash flow statement

The Company has taken advantage of the exemption under FRS 102 1.12(b) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Company's cash flows are included within the consolidated statement of cash flows of its ultimate parent company, Aviva plc.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

2. Accounting policies (continued)

2.7 Income and expenses

Income and expenses are recognised in the financial statements on an accruals basis.

2.8 Service charge

The Company manages the service charge of the common parts of the building for the residential tenants. Under the Section 42 of the Landlord and Tenant Act 1987, a statutory trust is created for the monies held on behalf of the tenants for this purpose. Accordingly, none of the transactions associated with the service charge activity are shown in the financial statements.

2.9 Interest receivable and similar income distributions

Interest receivable on cash at bank is recognised on an accruals basis. Other interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

2.10 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial assets, including other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised costs using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

2. Accounting policies (continued)

2.10 Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Commitments to make payments which meet the conditions above are measured at cost (which may be nil) less impairment.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Taxation

Current Tax

Taxation is based on the profits and income for the period as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the current tax is recognised in the Statement of Comprehensive Income, or equity, as applicable.

Deferred Tax

Deferred taxation is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used are the rates that have been enacted or substantively enacted at the balance sheet date.

Full provision is made for the deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against of which the temporary differences can be utilised.

Deferred taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the deferred taxation is recognised in the Statement of Comprehensive Income, or equity, as applicable.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.13 Share Capital

Ordinary shares are classed as equity.

3. Turnover

	2018 £	2017 £
Rent receivable from tenants	11,400	11,400

All income is derived from operations performed in the United Kingdom and is recognised net of any VAT. Income is recognised net of rebates due to lessees in respect of ground rent receivable by the Company.

4. Administrative expenses

	2018 £	2017 £
Rent payable to the freeholder	11,400	11,400
Bank Charges	30	-
Professional fees	619	-
	12,049	11,400

Audit fees of £2,276 (2017: £2,276) plus non-recoverable VAT have been borne by a fellow subsidiary of the Group and were not recharged to the Company (2017: same).

The auditors did not provide any non-audit services to the Company during the year (2017: none).

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

5. Tax on loss

Analysis of tax charge for the year

	2018 £	2017 £
Corporation tax		
UK corporation tax credit on loss for the year	(123)	-
Total current tax credit	<u>(123)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax on the Company's loss before taxation is higher (2017: same) than the theoretical amount that would arise using the tax rate 19.00% (2017: 19.25%) in the United Kingdom as follows:

	2018 £	2017 £
Loss before taxation	<u>(649)</u>	<u>-</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	<u>(123)</u>	<u>-</u>
Total tax charge for the year	<u>(123)</u>	<u>-</u>

Finance (No 2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016 to 19% from 1 April 2017 and to 18% from 1 April 2020. Finance Act 2016, which received Royal Assent on 15 September 2016, will reduce the corporation tax rate further to 17% from 1 April 2020.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

6. Debtors

	2018 £	2017 £
Trade debtors	500	1,050
Other debtors	2,143	1,593
	<u>2,643</u>	<u>2,643</u>

Financial assets have been measured at amortised cost.

7. Cash at bank and in hand

Cash and cash equivalents comprise the following:

	2018 £	2017 £
Cash at bank and in hand	<u>281</u>	<u>552</u>

Financial assets have been measured at amortised cost.

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	3,037	3,293
Trade creditor	2,727	2,850
Accruals	634	-
	<u>6,398</u>	<u>6,143</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Financial liabilities have been measured at amortised cost.

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

9. Called up share capital

	2018 £	2017 £
Issued:		
9 "A" (2017: 9) ordinary shares of £0.25 each, fully paid	2	2
27 "B" (2017: 27) ordinary shares of £0.25 each, fully paid	7	7
	<u>9</u>	<u>9</u>

The voting rights and dividend entitlements of the holders of all ordinary shares are the same and all ordinary shares rank pari passu on a winding up.

10. Staff costs

The monthly average number of employees of the Company during the year was nil (2017: nil). Staff costs for the year were £nil (2017: £nil).

Costs associated with the administration of the Company were borne by Friends Life Services Limited, a fellow subsidiary of the Group, and were not recharged to the Company (2017: the same). The administration fees are charged under normal market conditions.

11. Related party transactions

During the year, the Company was charged ground rent of £11,400 (2017: £11,400), by its parent Company, Friends Life Group Limited, the freehold owner of the property. In turn, the Company charged ground rent of £11,400 (2017: £11,400) to its lessees, who are all shareholders of the Company. In addition, as disclosed in Note 6, an amount of £500 (2017: £1,050) is due from the lessees to the Company.

Amounts due from and to related parties at the year-end were as follows:

	2018 £	2017 £
Amounts due from minority shareholders	<u>500</u>	<u>1,050</u>
Amounts owed to group undertakings	<u>3,037</u>	<u>3,293</u>

41-42 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

12. Directors emoluments

The Directors are employed by, and receive their emoluments from, Friends Life Services Limited, Friends Life Management Services Limited or Aviva Employment Services Limited. The Directors holding office during the year consider their services to the Company were incidental to their other duties within the Group and accordingly no remuneration has been apportioned to the Company (2017: none).

13. Immediate and ultimate parent

The immediate parent undertaking of the Company is Friends SL Nominees Limited.

The ultimate parent undertaking and controlling party of the Company is Aviva plc, a company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Aviva plc are available at www.aviva.com or are on application to the:

Group Company Secretary
Aviva plc
St. Helen's
1 Undershaft
London
EC3P 3DQ

14. Events after the reporting date

Events after the end of the reporting period have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors and there were no significant events after the reporting period that have a bearing on the understanding of these financial statements, except as already disclosed or adjusted in these financial statements.